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BRAINHOLE
TECHNOLOGY
BRAINHOLE TECHNOLOGY LIMITED
脑洞科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2203)

**DISCLOSEABLE TRANSACTION IN RELATION TO
ACQUISITION OF LISTED SECURITIES**

The Board announces that the Company has entered into the following transaction involving acquisition of listed securities.

Acquisition of Shopify Shares

On 31 July 2023 (after trading hours of the Stock Exchange), the Company has acquired an aggregate of 15,000 Shopify Shares through the open market at an aggregate consideration of approximately US\$1.0 million (equivalent to approximately HK\$7.9 million) (excluding transaction costs).

LISTING RULES IMPLICATIONS

Acquisition of Shopify Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of Shopify Shares exceed 5% but all are less than 25%, the Acquisition of Shopify Shares constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

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As the Acquisition of Shopify Shares was conducted in the open market, the identities of the counterparties of the acquired Shopify Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the acquired Shopify Shares are Independent Third Parties.

INFORMATION ON SHOPIFY

Shopify

Shopify is a Canada corporation and operates an e-commerce platform for online stores and retail point-of-sale systems. Its platform offers online retailers a suite of services including payments, marketing, shipping and customer engagement tools.

The following financial information is extracted from the published documents of the Shopify Group:

	For the year ended 31 December 2021 (audited)		For the year ended 31 December 2022 (audited)	
	US\$'000	HK\$'000	US\$'000	HK\$'000
Revenues	1,342,334	10,443,359	1,487,759	11,574,765
Net (loss)/income	2,914,659	22,676,047	(3,460,418)	(26,922,052)

Based on Shopify's published documents, the Shopify Group has an audited consolidated net asset value of approximately US\$11,133 million (equivalent to approximately HK\$86,615 million) as at 31 December 2021 and US\$8,239 million (equivalent to approximately HK\$64,099 million) as at 31 December 2022.

Based on Shopify's published documents, the Shopify Group has an unaudited consolidated net asset value of approximately US\$8,457 million (equivalent to approximately HK\$65,795 million) as at 31 March 2023.

REASONS FOR AND BENEFITS OF THE ACQUISITION OF SHOPIFY SHARES

The Group is principally engaged in the manufacturing and trading of semiconductors, broadband infrastructure construction and the provision of integrated solution for smart domain application (including smart home, smart campus and smart communities).

The Group believes that technological innovation is an important engine for future economic development, and it can also drive the emerging applications in the smart living sector. The Group always hopes to leverage our own advantages in the field of smart technology to actively diversify the investments in the field of innovative technologies, in order to facilitate the technological development and create greater value for the Shareholders.

Shopify is a leading provider of essential internet infrastructure for commerce. The Board holds positive views towards the financial performance and future prospect of Shopify. The Group considers that the Acquisition of Shopify Shares represents an opportunity to acquire attractive investment and to expand its investment portfolio with quality assets, which will enhance investment return for the Group.

As the Acquisition of Shopify Shares was made in the open market at prevailing market prices, the Directors are of the view that the terms of the Acquisition of Shopify Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Acquisition of Shopify Shares

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition of Shopify Shares exceed 5% but all are less than 25%, the Acquisition of Shopify Shares constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition of Shopify Shares”	acquisition of 15,000 Shopify Shares by the Company as disclosed in this announcement
“Board”	the board of Directors of the Company
“Company”	Brainhole Technology Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2203)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) in the issued share capital of the Company
“Shopify”	Shopify, Inc., a Canada corporation whose Class A Subordinate Voting Shares are listed on the New York Stock Exchange (trading symbol: SHOP)
“Shopify Group”	Shopify and its subsidiaries

“Shopify Share(s)”	Class A Subordinate Voting Share(s) of Shopify
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board
Brainhole Technology Limited
Zhang Liang Johnson
Chairman and Executive Director

Hong Kong, 1 August 2023

For the purpose of this announcement, all amounts denominated in US\$ has been translated (for information only) into HK\$ using the exchange rate of US\$1.00: HK\$7.78. Such translation shall not be construed as a representation that amounts of US\$ were or may have been converted.

As at the date of this announcement, the Board comprises Mr. Zhang Liang Johnson and Ms. Wan Duo as executive Directors and Mr. Xu Liang, Mr. Chen Johnson Xi and Ms. Zhang Yibo as independent non-executive Directors.